

Mr. President, Natural Resources reports LB 887 to General File with committee amendments attached, and LB 912 to General File with committee amendments attached. (See pages 478-79 of the Legislative Journal.)

And the last item is a notice of hearing from the Retirement Systems Committee, signed by Senator Nelson as Chair of the committee. That's all that I have, Mr. President.

SPEAKER BAACK: Thank you. We will now proceed to LB 226.

CLERK: Mr. President, 226 was a bill introduced by Senator Nelson, Pirsch and Wesely. (Read title.) The bill was introduced on January 14, of 1991. It was referred to the Banking Committee for public hearing. The bill was advanced to General File. I have committee amendments pending by the Banking Committee.

SPEAKER BAACK: Senator Landis, for the committee amendments.

SENATOR LANDIS: Thank you, Mr. Speaker, and members of the Legislature, this is a bill to regulate physical exercise clubs. The basic problem that Senator Nelson attacks in this is one that perhaps those of us in urban areas have had more experience with. Exercise clubs oftentimes begin with a subscription period in which people pay two or three years worth of annual dues or a lifetime membership or whatever, a prepurchase agreement. And then those that are either poorly managed or undercapitalized have failed, leaving people with lifetime membership...lifetime memberships in closed facilities with barred doors, doing no one any good. And among the things that this bill does is to limit the kind of contracts and the nature of the contracts that can be signed. When the bill came to the Banking, Commerce and Insurance Committee the original bill suggested that this membership contract have a duration of not longer than 12 months. One of the reputable dealers in this area, a fellow named Jere Knoles from the Westroads Club in Omaha, pointed out that he has a successful club that's been there for a long time, it's done well, but that he really can't plan his business or conduct his business with a time line like 12 months. So the Banking Committee offers an amendment to alter the bill to move from 12 months to 36 months, the maximum length of time that one of these subscription periods can run. I would urge the adoption of this amendment and then I'm sure Senator Nelson will explain the history of the bill and why it's